

FIRST STEPS OUT OF DEBT

Clarify exactly how much you owe and to whom. And how quickly the debt or debts are increasing because of interest, penalty charges, court and bailiff costs?

Draw up a budget. Only when your overall financial position is clear, is it possible to calculate what you can pay and how quickly.

Be truthful with your family. Debt is the single biggest cause of family breakdown but being honest and open prevents misunderstanding and mistrust.

Be open with your *close* friends. You don't have to tell them everything, just enough to take the pressure off you so you don't feel the need to keep spending as if nothing's wrong!

Be honest with your creditors. They will still give you a hard time, because many people lie to avoid paying, but it is better to start to build a reputation for honesty.

Get free, expert help — quick! Find a local, free advice centre or contact the National Debtline (see the back page).

Exercise. It's medically proven that exercise helps keep people from worrying.



CELEBRATION, NOT SPENDING SPREE!

Take some time out to remember what Christmas is supposed to be about. God is at the heart of the celebration, often lost beneath all the tinsel and partying. Read again the stories of Jesus' birth in the Bible: start with the first few chapters of Matthew's and Luke's Gospels.

CLUBHOUSE MONEY-ED

All Souls Clubhouse produce literature and run courses to help people handle money well. Check out the website for free downloads:

www.clubhousew1.org/moneyed

THIS LEAFLET DOES NOT SAY IT ALL

This is only an introduction to personal financial issues and they have been simplified. Managing money and resolving debt can be complicated. You cannot hold Clubhouse, the author, or anyone else involved in the production of this leaflet responsible for any action you take, or fail to take, based on what is written here. You should get expert help if you are worried about your financial situation or if you think you could benefit from help with money problems and debt.

WHERE TO GET FREE ADVICE

If you have a money problem or debt, get immediate help. You will find local advice agencies listed in the front of telephone directories or on display in local libraries. Or you can call National Debtline on **0808 808 4000**: the call is free from landlines and most mobile network. Or look on these websites:

www.nationaldebtline.co.uk

www.citizensadvice.org.uk

adviceuk.org.uk

www.gracedebtadvice.org

www.capuk.org

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CLUBHOUSE MONEY-ED PROJECT

All Souls Clubhouse Community Centre & Church

WHEN SANTA'S GONE!



paying for
christmas in
the new year

ALL SOULS CLUBHOUSE
COMMUNITY CENTRE & CHURCH

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PAUSE FOR THOUGHT



Santa's gone. Christmas is over for another year. The last decorations are down. The children are back at school. But the bills have only just begun to arrive!

When your credit card statement arrives, will you be surprised at just how much you spent on presents, parties, travel and drinks with friends? Will you be tempted to add still more to the cost by spreading the payments over three, six or nine months? Will you be among the many thousands of people still paying interest on Christmas spending *next* Christmas!

Did the spending you put on your debit card increase your overdraft more than you thought? Did you exceed the limit? Are you at risk of not repaying it quickly enough? What interest and penalty charges will that incur, adding to the overall cost of Christmas?

Spending is addictive at Christmas and shops want to squeeze just few more weeks of the habit out of you in the New Year sales. But take a moment to see what you're already committed to, and what you need to pay to stay out of serious debt, before you think about treating yourself to more!

TAKE STOCK

Get ahead of the game! Gather up all the credit card receipts and work out how much your next statement will be. How much you will need for the minimum repayment, to avoid penalty charges? How much to clear the entire balance, to avoid any paying interest?

Check your bank balance. When do you need to clear your overdraft to avoid interest and/or penalties? Remember, if you have an interest free period, you must stick to it *exactly*, as well the overdraft limit, to avoid interest, charges and penalties.

So that you have a complete picture, work out what routine bills you expect during January and February:

rent, mortgage, council tax, electricity, gas, satellite tv and any other subscriptions. And how much you'll have to spend on food, travel and everything else you and your family need.

It's important that you decide to clear your credit and debt in a way that's sustainable. Many payment plans fail within about six weeks, either because the overall financial situation was not correctly assessed or because people were too ambitious, thinking they and their family could cope with more austerity than practical.



MAKE A PLAN

What are the most expensive debts? The interest on credit cards and overdrafts that exceed your authorised limit are usually higher than on personal loans. Aim to clear the most expensive credit or debt first.

Make sure that you keep on paying your routine bills. Missing rent, council tax, water, electricity, gas, insurance and other important payments could prove to be expensive and dent your credit record.

Stop spending! New Year Resolutions cost money, like joining a dieting club or gym, learning a language or starting a hobby.

Don't be tempted by the January sales! Don't buy new furniture, carpets, fridges or washing machines unless you *really* need them. Don't focus on how much you might **save** in the sales but calculate how much you would **spend** and what impact it will have on your overall financial situation.

Look ahead! If you can see that you won't be able to pay what you owe on time and in full, get *free* expert help. On the back of this leaflet are contact details for free advice agencies, including those you can contact by telephone or e-mail.

